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MEMORANDUM
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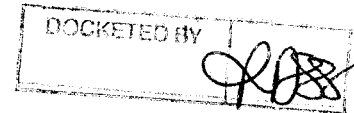
TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JAN 9 2012



DATE January 9, 2012

RE: STAFF'S RESPONSE TO CEDAR GROVE WATER, INC.'S EXCEPTIONS TO THE
STAFF REPORT. (DOCKET NO. W-20541A-11-0199)

Background

On May 17, 2011, Cedar Grove Water, Inc. ("Cedar Grove" or "Company") filed an application for a permanent rate increase before the Arizona Corporation Commission ("Commission"). Staff issued a Letter of Sufficiency on June 16, 2011.

On October 14, 2011, Staff filed its Staff Report recommending approval of the rates and charges shown in Schedule DRE-4, pages 1 and 2.

On November 1, 2011, Cedar Grove filed exceptions to the Staff Report. In its exceptions, the Company sought consideration for pro forma adjustments to two test year accounts and revisions to two other separate accounts.

A Procedural Order dated November 21, 2011, directed Staff to file a response to the Company's exceptions by January 9, 2012.

Staff analyzed the Company's proposed pro forma adjustments to accounts 601 Salaries and Wages and 630 Outside Services, and proposed revisions to 666 Regulatory Commission Expense and 427 Interest Expense. Staff agrees and recommends the Company's proposed pro forma adjustment to account 630 Outside Services. Staff also revised its recommended amount for account 427 Interest Expense to \$1,836, an increase of \$255.

Staff does not recommend the Company's proposed pro forma adjustment to accounts 601 Salaries and Wages and the Company's proposed revision to account 666 Regulatory Commission Expense.

Staff has attached a set of revised schedules that reflect incorporation of the described changes.

Account 601 Salaries and Wages

Cedar Grove requested a pro forma adjustment to salaries and wages that would increase account 601 Salaries and Wages by \$14,996 to bring the amount up to what the Company defined as industry standards for the Company's management positions. The Company based its pro forma adjustment on an American Water Works Association ("AWWA") guide on compensation. Staff does not recommend this pro forma adjustment as Staff finds that the AWWA guide is a broad recommendation on salary ranges and does not have a specific bearing on Cedar Grove salaries and wages as the guide does not consider the Company's size, location, or the specific duties of the positions for the salaries listed.

Account 630 Outside Services

The Company provided documentation of a new contract with an outside vendor to provide billing and office management services, as well as documentation for a known and measureable increase in the cost of their accounting services that was to begin after the test year. Staff considers that these pro forma adjustments are appropriate and recommends an increase to account 630 Outside Services of \$18,092.

Account 666 Regulatory Commission Expense

The Company proposes rate case expense that includes a rate of \$100/hour for Company personnel for activities related to the processing of the Company's rate case. Staff concludes that the Company's proposed amount for rate case expense is not reasonable given that the Company filed its rate application utilizing the small company rate application form and the Company personnel who processed the rate application received payment for their activities in the form of their customary salary and wage. Staff concludes that its previously-recommended \$500 annual normalized rate case expense fairly compensates the Company and its personnel for all activities and duties outside of those already compensated by the customary salary and wage.

Account 427 Interest Expense

The Company submitted an amortization schedule of its Arizona Corporation Commission approved loan from the Water Infrastructure Finance Authority of Arizona ("WIFA"). The interest expense for the test year on the WIFA loan amortization schedule totaled \$1,836; an increase of \$255 from Staff's recommended interest expense of \$1,581 in its previously filed Staff Report. Staff recommends \$1,836 as the appropriate amount for interest expense.

Conclusions/Recommendations

Staff now recommends a \$43,583 increase from \$166,438 to \$210,021, a 26.19 percent increase over test year revenue. This compares to recommended operating revenues of \$188,753 and an increase of \$22,315 on test year revenues of \$166,438 in Staff's original Staff Report. Staff's new recommended operating revenues yield a positive cash flow of \$43,233, an increase

Cedar Grove Water, Inc.
Docket No. W-20541A-11-0199
Page 2

of \$3,176 over Staff's previously recommended positive cash flow of \$40,057. The operating margin of 14.86 percent remains unchanged.

SMO:DRE:kdh

Originator: Darak R. Eaddy

SERVICE LIST FOR: CEDAR GROVE WATER, INC.
DOCKET NO.: W-20541A-11-0199

Mr. Thomas Grapp
Vice President of Operations
Cedar Grove Water, Inc.
Post Office Box 1270
Show Low, Arizona 85902-1270

Cedar Grove Water, Inc.

Docket No. W-20541A-11-0199

Revised Schedule DRE-1

Test Year Ended: December 31, 2010

SUMMARY OF FILING

	-- Present Rates --		-- Proposed Rates --	
	Company as Filed	Staff as Adjusted	Company as Filed	Staff as Adjusted
Revenues:				
Metered Water Revenue	\$168,135	\$165,558	\$328,700	\$209,140
Unmetered Water Revenue	0	0	0	0
Other Water Revenues	881	881	881	881
Total Operating Revenue	\$169,016	\$166,438	\$329,581	\$210,021
Operating Expenses:				
Operation and Maintenance	\$160,494	\$162,726	\$160,494	\$162,726
Depreciation	16,313	12,015	16,313	12,015
Property & Other Taxes	14,756	4,062	14,756	4,062
Income Tax	0	0	0	0
Total Operating Expense	\$191,563	\$178,803	\$191,563	\$178,803
Operating Income/(Loss)	(\$22,548)	(\$12,365)	\$138,018	\$31,218
Rate Base O.C.L.D.	\$182,623	\$46,574	\$182,623	\$46,574
Rate of Return - O.C.L.D.	N/M	N/M	75.58%	67.03%
Operating Margin	N/M	N/M	41.88%	14.86%

NOTE: Operating Margin represents the proportion of funds available to pay interest and other below the line or non-ratemaking expenses

RATE BASE

	----- Original Cost -----			
	Company	Adjustment		Staff
Plant in Service	\$650,320	\$92,908	A	\$743,228
Less:				
Accum. Depreciation	83,985	145,281	B	229,266
Net Plant	\$566,335	(\$52,373)		\$513,962
Less:				
Plant Advances	\$269,418	\$0		\$269,418
Customer Deposits	18,675	0		18,675
Total	\$288,093	\$0		\$288,093
Contributions Gross	\$102,439	\$120,891	C	\$223,330
Less:				
Amortization of CIAC	6,820	18,171	D	24,991
Net CIAC	\$95,619	\$102,720		\$198,339
Total Deductions	\$383,712	\$102,720		\$486,432
Plus:				
1/24 Power	\$0	\$648	E	\$648
1/8 Operation & Maint.	0	18,395	F	18,395
Inventory	0	0		0
Prepayments	0	0		0
Total Additions	\$0	\$19,044		\$19,044
Rate Base	\$182,623	(\$136,049)		\$46,574

Explanation of Adjustment:

- A - See Schedule 2, Page 2, 3, 4, and 5
- B - See Schedule 2, Page 6
- C - See Schedule 2, Page 7
- D - See Schedule 2, Page 7

STATEMENT OF OPERATING INCOME

	Company Exhibit	Staff Adjustments	Staff Adjusted
Revenues:			
461 Metered Water Revenue	\$168,135	(\$2,577) 1	\$165,558
460 Unmetered Water Revenue	0	0	0
474 Other Water Revenues	881	0	881
Total Operating Revenue	\$169,016	(\$2,577)	\$166,438
Operating Expenses:			
601 Salaries and Wages	\$91,445	\$0	\$91,445
610 Purchased Water	0	0	0
615 Purchased Power	15,563	0	15,563
618 Chemicals	0	0	0
620 Repairs and Maintenance	10,851	(8,373) 2	2,479
621 Office Supplies & Expense	9,037	(2,141) 3	6,896
630 Outside Services	3,212	17,877 4	21,089
635 Water Testing	2,123	(274) 5	1,849
641 Rents	13,396	0	13,396
650 Transportation Expenses	10,254	(2,234) 6	8,020
657 Insurance - General Liability	1,478	0	1,478
659 Insurance - Health and Life	0	0	0
666 Regulatory Commission Expense - Rate Case	3,125	(2,625) 7	500
675 Miscellaneous Expense	10	0	10
403 Depreciation Expense	16,313	(4,298) 8	12,015
408 Taxes Other Than Income	10,694	(10,694) 9	0
408.11 Property Taxes	4,062	0	4,062
409 Income Tax	0	0	0
Total Operating Expenses	\$191,563	(\$12,760)	\$178,803

OPERATING INCOME/(LOSS)	(\$22,548)	\$10,183	(\$12,365)
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Other Income/(Expense):

419 Interest and Dividend Income	\$0	\$0	\$0
421 Non-Utility Income	0	0	0
427 Interest Expense	417	1,419 10	1,836
4XX Reserve/Replacement Fund Deposit	0	0	0
426 Miscellaneous Non-Utility Expense	0	0	0
Total Other Income/(Expense)	(\$417)	(\$1,419)	(\$1,836)

NET INCOME/(LOSS)	(\$22,965)	\$8,764	(\$14,200)
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STAFF ADJUSTMENTS

4 -	OUTSIDE SERVICES - Per Company	\$3,212	
	Per Staff	21,089	\$17,877

To reflect Staff's computation of Outside Services, the removal of claimed expenses not supported by documentation, and pro forma adjustments to test year expense

10 -	INTEREST EXPENSE - Per Company	\$417	
	Per Staff	1,836	\$1,419

To reflect interest expense on the existing WIFA loan.

RATE DESIGN

Monthly Usage Charge		Present	-Proposed Rates-	
		Rates	Company	Staff
5/8" x 3/4" Meter		\$20.50	\$39.98	\$22.50
3/4" Meter		30.78	60.02	33.75
1" Meter		51.28	100.00	56.25
1½" Meter		102.50	199.88	112.50
2" Meter		164.00	319.80	180.00
3" Meter		307.50	599.63	360.00
4" Meter		512.50	999.38	562.50
6" Meter		1,025.00	1,998.75	1,125.00
Gallons Included in Minimum				
For all Meter Sizes		0	0	0
<u>Commodity Rates (Per 1,000 Gallons)</u>				
All Meter Sizes	0000 - 3,000	\$2.00	\$3.90	N/A
	3,001 - 9,000	\$3.25	\$6.34	N/A
	Over 9,000	\$4.90	\$9.56	N/A
5/8 x 3/4 Inch Meter	0000 - 3,000	N/A	N/A	\$3.25
	3,001 - 9,000	N/A	N/A	\$5.00
	Over 9,000	N/A	N/A	\$7.00
1 Inch Meter	0000 - 13,000	N/A	N/A	\$5.00
	Over 13,000	N/A	N/A	\$7.00
2 Inch Meter	0000 - 70,000	N/A	N/A	\$5.00
	Over 70,000	N/A	N/A	\$7.00
Standpipe, Bulk Water		\$5.00	\$9.75	\$7.00

Cedar Grove Water, Inc.
Docket No. W-20541A-11-0199
Test Year Ended: December 31, 2010

Revised Schedule DRE-5

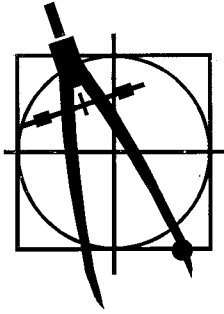
TYPICAL BILL ANALYSIS
General Service 5/8 x 3/4 - Inch Meter

Average Number of Customers: 368

<u>Company Proposed</u>	<u>Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Average Usage	3,667	\$28.67	\$55.91	\$27.24	95.0%
Median Usage	2,542	\$25.58	\$49.89	\$24.31	95.0%
<u>Staff Recommend</u>					
Average Usage	3,667	\$28.67	\$35.58	\$6.91	24.1%
Median Usage	2,542	\$25.58	\$30.76	\$5.18	20.3%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4 - Inch Meter

<u>Gallons Consumption</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>% Increase</u>	<u>Staff Proposed Rates</u>	<u>% Increase</u>
0	\$20.50	\$39.98	95.0%	\$22.50	9.8%
1,000	22.50	43.88	95.0%	25.75	14.4%
2,000	24.50	47.78	95.0%	29.00	18.4%
3,000	26.50	51.68	95.0%	32.25	21.7%
4,000	29.75	58.02	95.0%	37.25	25.2%
5,000	33.00	64.36	95.0%	42.25	28.0%
6,000	36.25	70.70	95.0%	47.25	30.3%
7,000	39.50	77.04	95.0%	52.25	32.3%
8,000	42.75	83.38	95.0%	57.25	33.9%
9,000	46.00	89.72	95.0%	62.25	35.3%
10,000	50.90	99.28	95.0%	69.25	36.1%
15,000	75.40	147.08	95.1%	104.25	38.3%
20,000	99.90	194.88	95.1%	139.25	39.4%
25,000	124.40	242.68	95.1%	174.25	40.1%
50,000	246.90	481.68	95.1%	349.25	41.5%
75,000	369.40	720.68	95.1%	524.25	41.9%
100,000	491.90	959.68	95.1%	699.25	42.2%
125,000	614.40	1,198.68	95.1%	874.25	42.3%
150,000	736.90	1,437.68	95.1%	1,049.25	42.4%
175,000	859.40	1,676.68	95.1%	1,224.25	42.5%
200,000	981.90	1,915.68	95.1%	1,399.25	42.5%



Engineering Report for Cedar Grove Water, Inc.

Docket No. W-020541A-11-0199 (Rates)

**By Marlin Scott, Jr.
Utilities Engineer**

December 13, 2011

CONCLUSIONS

- A. Cedar Grove Water, Inc. ("Company") had a water loss of 6.1 percent during the test year 2010 which is within the acceptable limit of 10% recommended by Staff.
- B. The Company's current system has adequate well production and storage capacity to serve the present customer base and reasonable growth.
- C. The Arizona Department of Environmental Quality has reported that the Company's system, PWS #01-049, has no major deficiencies and is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.
- D. The Company is not located in any Arizona Department of Water Resources' ("ADWR") Active Management Area. According to the ADWR, this Company is currently compliant with ADWR's requirements governing water providers and/or community water systems.
- E. According to the Utilities Division compliance database, the Company has no delinquent Commission compliance items.
- F. The Company has an approved curtailment tariff with an effective date of August 25, 2004.
- G. The Company has an approved backflow prevention tariff with an effective date of January 16, 2001.

RECOMMENDATIONS

- 1. Staff recommends an annual water testing expense of \$1,849 be used for purposes of this application.
- 2. Staff recommends that the Company file with Docket Control, as a compliance item in this docket and within 90 days of the effective date of a decision in this proceeding, at least three BMPs in the form of tariffs that substantially conform to the templates created

by Staff for Commission's review and consideration. These BMP templates are available on the Commission's website.

3. Staff recommends that the Company continue to use Staff's depreciation rates as delineated in Table H-1.
4. Staff recommends the adoption of its proposed service line and meter installation charges as delineated in Table I-1.

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A. INTRODUCTION

On May 17, 2011, Cedar Grove Water, Inc. ("Company") filed a rate application. This Engineering Report constitutes Staff's engineering evaluation relative to the rate application.

Location of Company

The Company is located approximately 12 miles east of Show Low in Apache County. Figure 1 shows the location of the Company within Apache County and Figure 2 shows the Certificate of Convenience and Necessity covering approximately eight square-miles.

B. DESCRIPTION OF THE WATER SYSTEM

The water system was field inspected on June 29, 2011, by Marlin Scott, Jr., Staff Utilities Engineer, in the accompaniment of Thomas Grapp, representing the Company.

The operation of the water system consists of five wells, four storage tanks, five booster stations, and a distribution system serving 378 customers (majority being permanent residential customers) during the test year ending December 2010. This system also provides an emergency inter-tie for Lord Arizona Water Systems, Inc. with a 2-inch master-meter. A system schematic is shown as Figure 3 and a detailed plant facility listing is as follows:

Table 1. Well Site Data

Well Site	Eagle Ridge	Sunrise Vista	Warehouse	Well No. 2	Well No. 5
ADWR No.	55-566375	55-087623	55-550075	55-504679	55-808434
Casing Size	6-inch	8-inch	6-inch	6-inch	6-inch
Casing Depth	544 ft.	860 ft.	440 ft.	400 ft.	400 ft.
Pump Type	submersible	submersible	submersible	submersible	submersible
Pump Size	7-1/2-Hp	5-Hp	5-Hp	5-Hp	5-Hp
Pump Yield	0 to 35 GPM (varies throughout the year)	8 GPM	31 GPM	28 GPM	30 GPM
Meter Size	2-inch	1-inch	1-inch	1-inch	1-inch
Boosters (part of well operation)	-	Two 2-Hp boosters w/ 30 gal. tank	-	-	-
Well House	(well in booster building)	12' x 12'	6' x 6'	8'x8'x3'(H)	8'x8'x4'(H)

Table 2. Storage Tanks and Booster Station Data

Site	Storage Tanks	Booster System	Booster Building
Transfer Booster Station	-	Two 2-Hp booster pumps	4' x 8'
Warehouse Well Site	12,000 gal.	Four 2-Hp booster pumps w/ 1000 gal. tank	20' x 30'
Well Site #5	15,000 gal.	Four 2-Hp booster pumps w/ 30/50/80 gal. tanks	12' x 12'
Rippy Booster Station	-	2-Hp booster pump w/ 7 gal. tank	5' x 5' x 5'
Eagle Ridge Well/Booster Station	50,000 gal.	Two 7-1/2-Hp booster pumps w/ 2,000 gal. tank	24' x 24'
Cedar Ridge (on hill)	300,000 gal.	-	-

Table 3. Water Mains

Diameter	Material	Length
2-inch	PVC	2,760 ft.
6-inch	PVC	92,138 ft.
	Total:	94,898 ft. or 17.8 miles

Table 4. Customer Meters

Size	Quantity
5/8 x 3/4-inch	390
2-inch	2

Table 5. Fire Hydrants

Size	Quantity
Standard	11

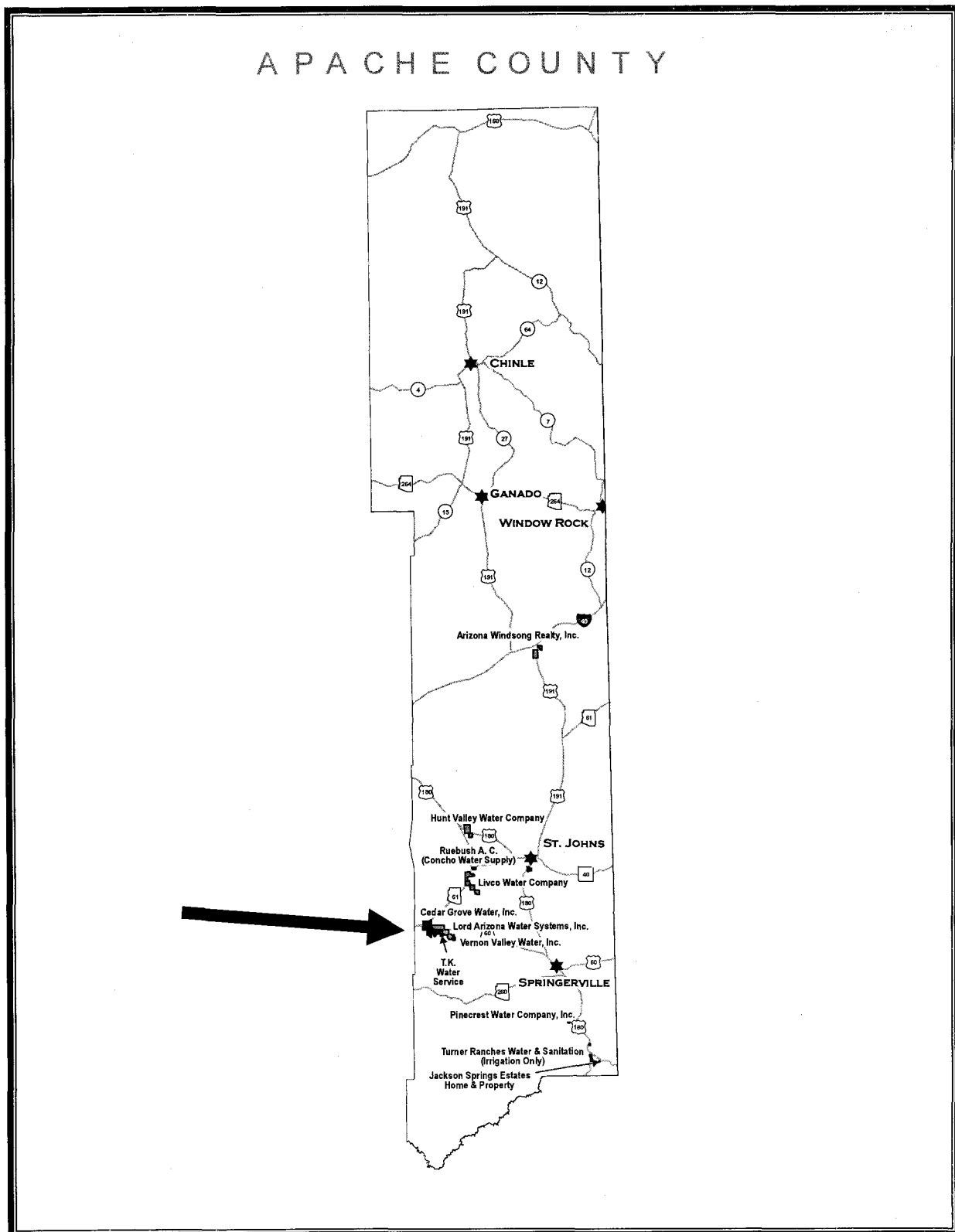


Figure 1. Apache County Map

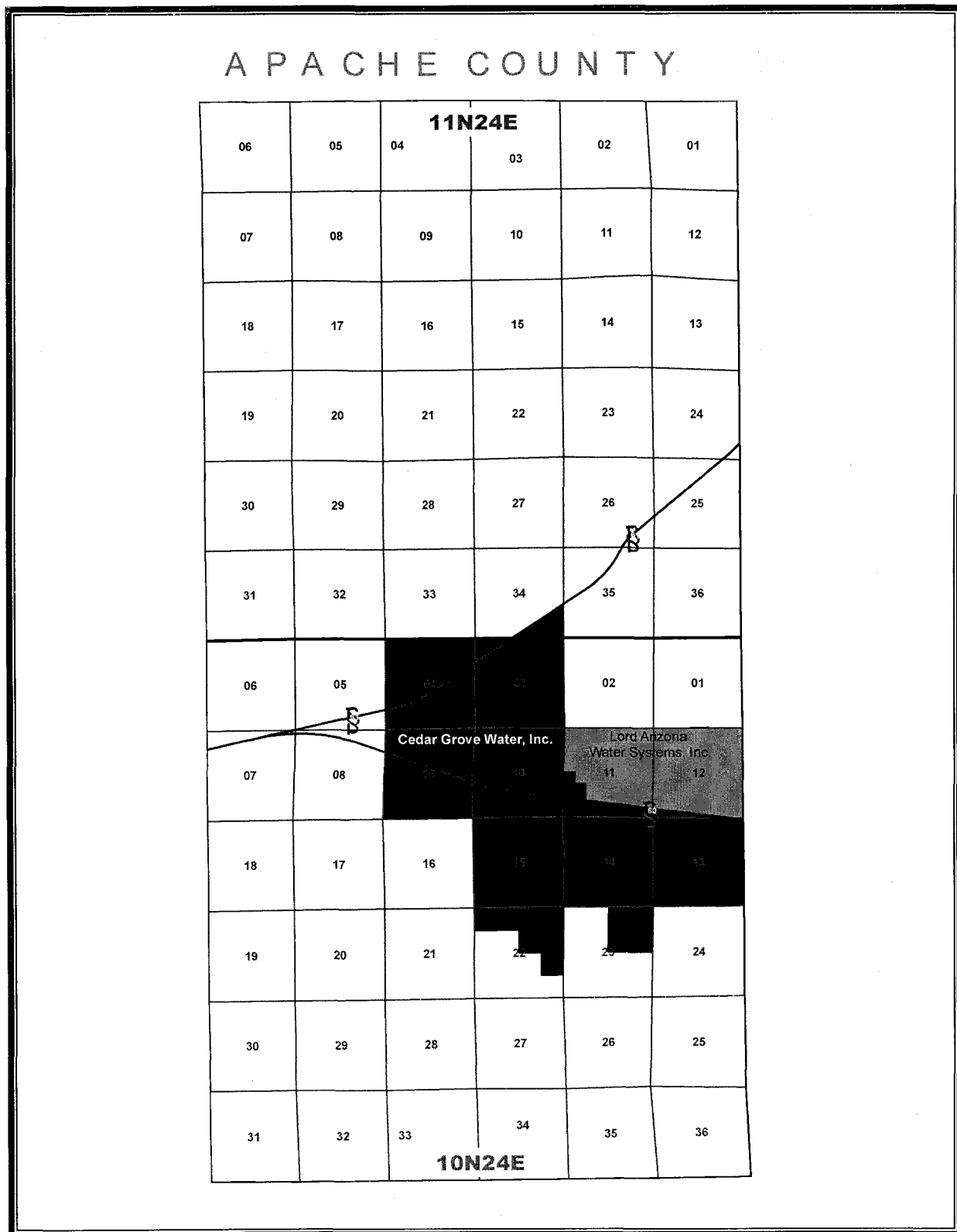


Figure 2. Certificated Area

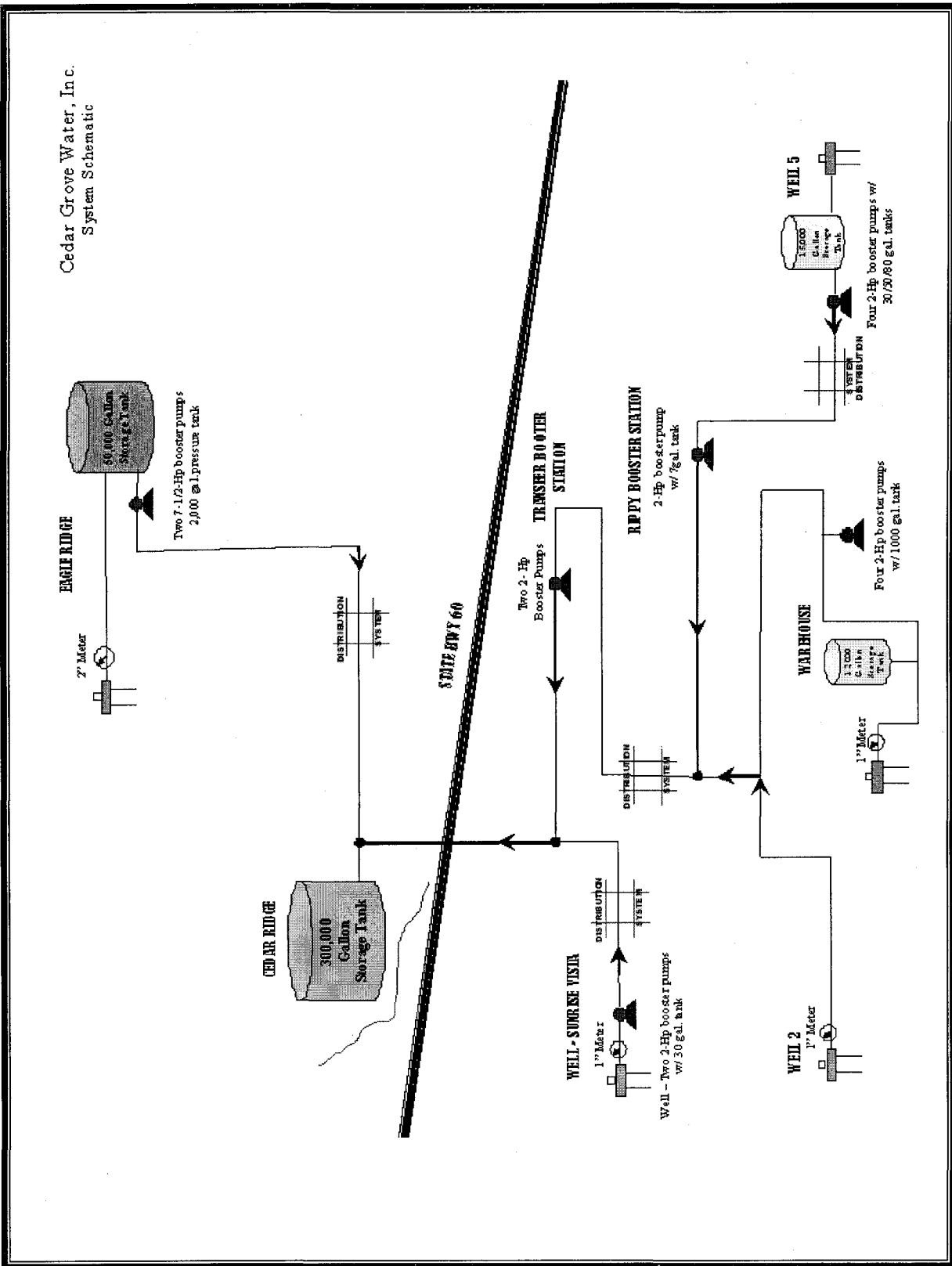


Figure 3. System Schematic

C. WATER USE

Water Sold

Figure 4 presents the water consumption data provided by the Company for the test year ending December 2010. This figure shows the customer consumption experienced a high monthly water use of 276 gallons per day (“GPD”) per connection in June and a low monthly water use of 75 GPD per connection in March for an average annual use of 155 GPD per connection.

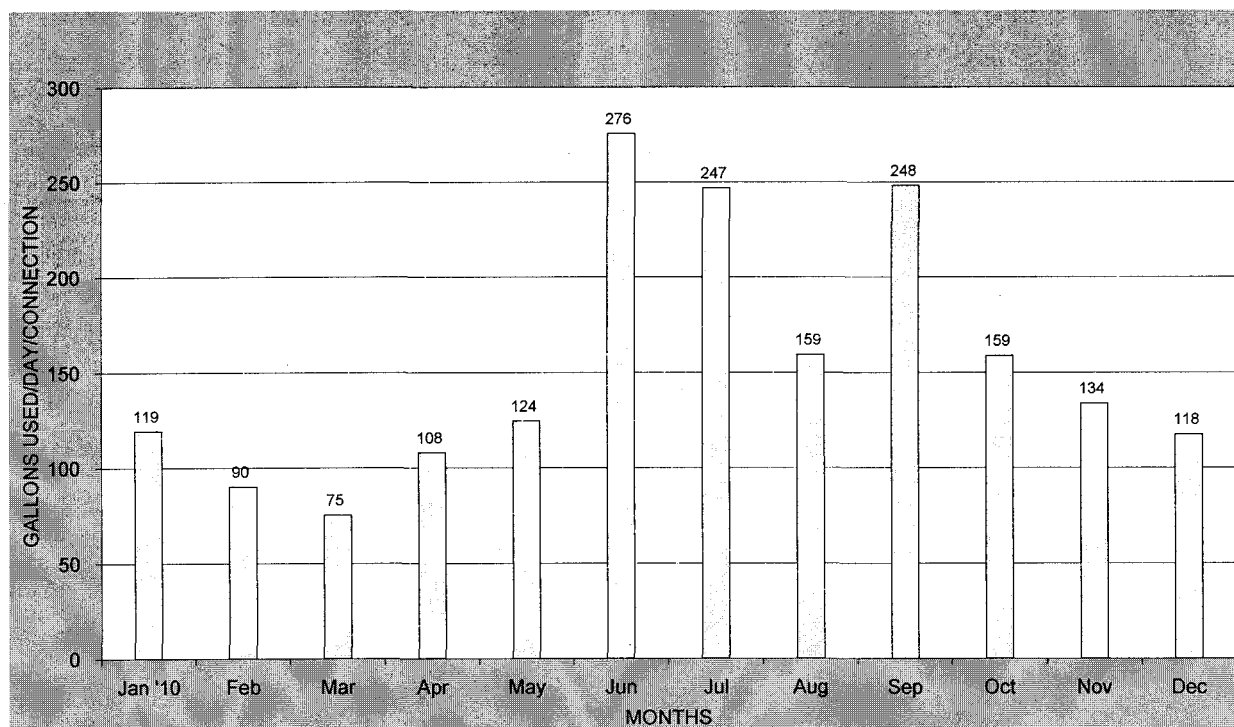


Figure 4. Water Use

Non-Account Water

Non-account water should be 10 percent or less. During the test year, the Company reported 22,582,390 gallons pumped and 21,214,050 gallons sold, resulting in a water loss of 6.1 percent. This 6.1 percent is within the acceptable level of 10 percent recommended by Staff.

System Analysis

The current well capacity of 97 GPM (without the Eagle Ridge Well) and storage tank capacity of 377,000 gallons is adequate to serve the present customer base and reasonable growth.

D. GROWTH

Figure 5 depicts the customer growth using linear regression analysis. The number of service connections was obtained from annual reports submitted to the Commission. During the test year 2010, the Company had 378 customers and it is projected that the Company could have approximately 435 customers within a 5-year period ending December 2015.

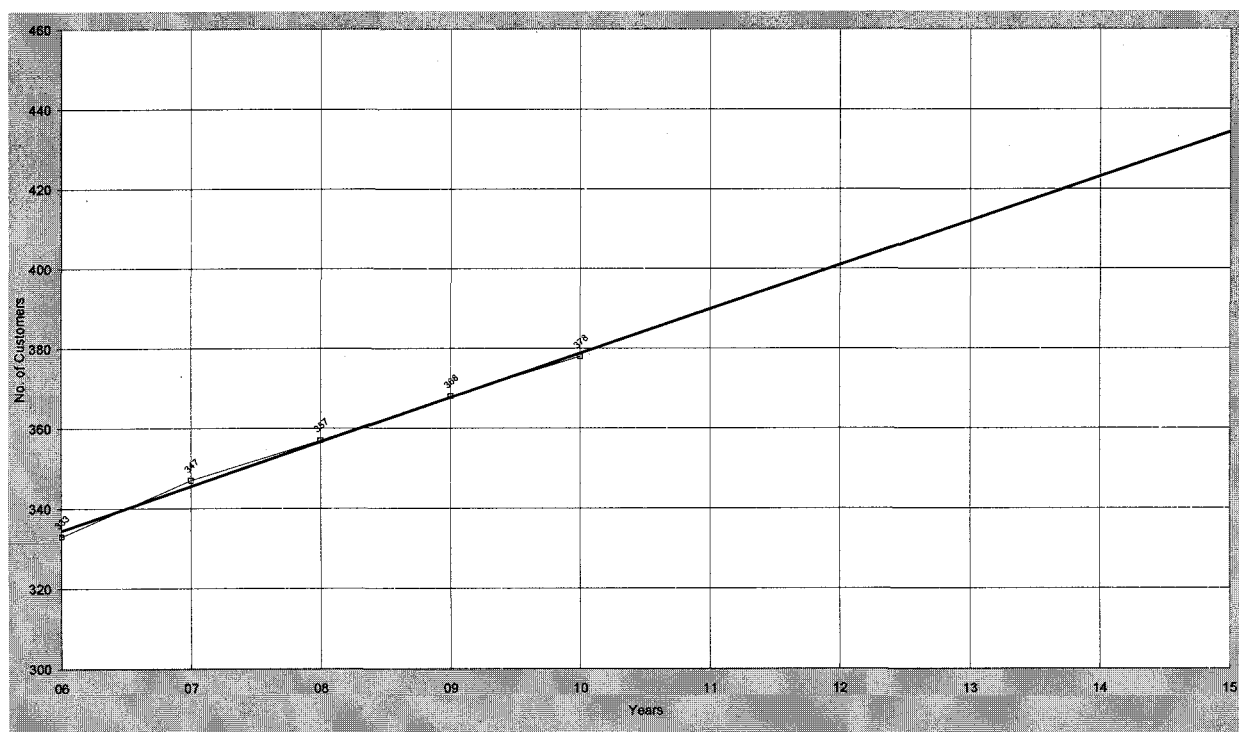


Figure 5. Growth Projection

E. ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY ("ADEQ")

Compliance

According to an ADEQ Compliance Status Report, dated February 15, 2011, ADEQ has reported no major deficiencies and has determined that the Company's system, PWS #01-049, is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4.

Water Testing Expense

The Company is subject to mandatory participation in the Monitoring Assistance Program ("MAP"). The Company reported its water testing expense at \$2,123 during the test year. Staff has reviewed this expense and has recalculated the annual testing expense as shown in Table E-1 below:

Table E-1. Water Testing Expense

Monitoring	Cost per test	No. of test	Annual cost
Total coliform – monthly	\$20	24	\$480
MAP – IOCs, Radiochemical, Nitrate, Nitrite, Asbestos, SOCs & VOCs	MAP	MAP	\$1,209
Lead & Copper – per 3 years (With metals prep)	\$45 \$15	10 2	\$150 \$10
Total:			\$1,849

*Note: The ADEQ MAP invoice for 2010 Calendar Year was \$1,208,61.

Staff recommends an annual water testing expense of \$1,849 be used for purposes of this application.

F. ARIZONA DEPARTMENT OF WATER RESOURCES (“ADWR”)

Compliance

The Company is not located in any ADWR Active Management Area (“AMA”). According to an ADWR Water Provider Compliance Report, dated June 28, 2011, this Company is currently compliant with ADWR’s requirements governing water providers and/or community water systems.

Best Management Practice Tariffs

In 2008, ADWR added a new regulatory program for the ADWR Third Management Plan for AMAs. The new program, called Modified Non-Per Capita Conservation Program (“Modified NPCCP”), addresses large municipal water providers (cities, towns and private water companies serving more than 250 acre-feet per year) and was developed in conjunction with stakeholders from all AMAs. Participation in the program is required for all large municipal water providers that do not have a Designation of Assured Water Supply and that are not regulated as a large untreated water provider or an institutional provider.

The Modified NPCCP is a performance-based program that requires participating providers to implement water conservation measures that result in water use efficiency in their service areas. A water provider regulated under the program must implement a required Public Education Program and choose one or more additional Best Management Practices (“BMPs”) based on its size, as defined by its total number of water service connections. The provider must select the additional BMPs from the list included in the Modified NPCCP Program. The BMPs are a mix of technical, policy, and information conservation efforts.

Although the implementation of the Modified NPCCP is required of large municipal water providers within an AMA, the Commission has adopted BMPs for implementation by Commission regulated water companies.

Staff recommends that the Company file with Docket Control, as a compliance item in this docket and within 90 days of the effective date of a decision in this proceeding, at least three BMPs in the form of tariffs that substantially conform to the templates created by Staff for Commission's review and consideration. These BMP templates are available on the Commission's website.

G. ARIZONA CORPORATION COMMISSION ("ACC") COMPLIANCE

On June 28, 2011, the Utilities Division compliance database showed that the Company had no delinquent ACC compliance items.

H. DEPRECIATION RATES

The Company has been using Staff's typical and customary depreciation rates. These depreciation rates are presented in Table H-1 below and it is recommended that the Company continue to use these depreciation rates.

Table H-1. Depreciation Rates

NARUC Acc. No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
304	Structures & Improvements	30	3.33
305	Collecting & Impounding Reservoirs	40	2.50
306	Lake, River, Canal Intakes	40	2.50
307	Wells & Springs	30	3.33
308	Infiltration Galleries	15	6.67
309	Raw Water Supply Mains	50	2.00
310	Power Generation Equipment	20	5.00
311	Pumping Equipment	** 5	20.0
320	Water Treatment Equipment		
320.1	Water Treatment Plants	30	3.33
320.2	Solution Chemical Feeders	5	20.0
330	Distribution Reservoirs & Standpipes		
330.1	Storage Tanks	45	2.22
330.2	Pressure Tanks	20	5.00
331	Transmission & Distribution Mains	50	2.00
333	Services	30	3.33
334	Meters	12	8.33
335	Hydrants	50	2.00
336	Backflow Prevention Devices	15	6.67
339	Other Plant & Misc Equipment	15	6.67
340	Office Furniture & Equipment	15	6.67
340.1	Computers & Software	5	20.00
341	Transportation Equipment	5	20.00
342	Stores Equipment	25	4.00
343	Tools, Shop & Garage Equipment	20	5.00
344	Laboratory Equipment	10	10.00
345	Power Operated Equipment	20	5.00
346	Communication Equipment	10	10.00
347	Miscellaneous Equipment	10	10.00
348	Other Tangible Plant	----	----

**Note: In prior rate cases, a 5 year service life was established for Acct. 311 – Pumping Equipment. Staff recommends that the 5 year life be retained.

I. OTHER ISSUES

1. Service Line and Meter Installation Charges

The Company has requested changes in its service line and meter installation charges. These charges are refundable advances and the Company's requested charges are below Staff's customary range of charges. Since the Company may at times install meters on existing service lines, it would be appropriate for those customers to only be charged for the meter installation. Therefore, Staff has modified the Company's request by separating the service line and meter installation charges and recommends approval of the proposed charges as shown in Table I-1 below.

Table I-1. Service line and meter installation charges

Meter Size	Company's Current Charges	Staff's Proposed Service Line Charges	Staff's Proposed Meter Charges	Staff's Proposed Total Charges
5/8" x 3/4"	* \$0	\$0	\$0	\$0
3/4"	\$245	\$230	\$90	\$320
1"	\$350	\$240	\$130	\$370
1-1/2"	\$525	\$245	\$300	\$545
2"	\$700	\$250	\$500	\$750
3"	\$980	\$280	\$700	\$980
4"	\$1,820	\$520	\$1,300	\$1,820
6"	\$3,920	\$770	\$3,150	\$3,920

* Note: In the prior rate case (Docket No. 06-0308), the Company preferred not to charge for the 5/8 x 3/4-inch meter because of the administrative costs associated with the refunding obligation.

2. Curtailment Tariff

The Company has an approved curtailment tariff with an effective date of August 25, 2004.

3. Backflow Prevention Tariff

The Company has an approved backflow prevention tariff with an effective date of January 16, 2001.